



THE CITY OF SAN DIEGO

City Planning and Community Investment

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City Continues Investing in Small Businesses with \$225,000 in New Loans

Several City loan funds assist with company relocation and business start-up

SAN DIEGO – The City of San Diego announced that it has recently helped fund two more local businesses through its innovative loan programs. Designed for businesses that encounter difficulties securing capital from traditional lending sources, the City's Business Finance Program awarded a \$200,000 loan to Continental Dry Cleaners & Laundry, Inc., a company that served downtown San Diego for over 20 years, and a \$25,000 loan to Urban Records, a start-up record label.

Located at 10th Ave. and J St., **Continental Dry Cleaners & Laundry** owners were forced to relocate in late 2005 when the building was sold. While the owners were able to secure new lease space at 1001 Broadway, they were unable to obtain standard bank financing to purchase new washing and dry-cleaning equipment for the new facility. By receiving funding from the **City of San Diego's Regional Revolving Loan Fund (SDRRLF)**, the company was able to purchase the equipment and will reopen at its new location next month.

"The funding we received from the City of San Diego has allowed us to purchase new, environmentally sensitive dry-cleaning equipment that was integral to our relocation efforts," said Jeff Phelps, president of Continental Dry Cleaners & Laundry, Inc. "With our new location secured, we look forward to rehiring the 11 employees we had prior to losing our lease."

The \$3 million SDRRLF combines a \$1.5 million federal grant from the Economic Development Administration (EDA) with a local match from the cities of San Diego and Chula Vista. The program is designed to improve economically distressed areas, increase the numbers and level of business operations, and subsequently increase incomes and earning capacities. The loan fund can supplement private financing of new or rehabilitated buildings, fixed machinery and equipment, working capital and soft costs, in the loan fund project area. The project area is defined as eligible census tracts in the cities of San Diego and Chula Vista.

Urban Records is a local record label company founded by Mark Stone, a marine veteran who served as an Operations Supervisor at MCAS Miramar from 1998 to 2000 and as an Air

Operations Coordinator from 1998 to 2005. After separating from the USMC in May 2005, Stone obtained \$40,000 in private financing secured through the Small Business Administration. He then applied for a \$25,000 matching loan to help expand his marketing campaign, which he recently received as part of the **City of San Diego's Metro Revolving Loan Fund**.

"The City of San Diego's funding will be instrumental in achieving the success I envision," said Mark Stone, owner of Urban Records. "It is fantastic to be able to leave my military career and be able to capitalize on business opportunities here in San Diego."

The Metro Revolving Loan Fund, a public revolving loan fund managed by the City of San Diego's City's Planning and Community Investment Department, stimulates economic growth by providing financial assistance to expanding and start-up businesses located in underserved areas of the City of San Diego. Veterans are specifically targeted for the program, along with minority and women-owned businesses.

"The success of small businesses such as these is vital to our economic prosperity in San Diego," said Mayor Jerry Sanders. "Our loan programs are an investment in the future growth of our business community, they leverage private investment and help create more jobs for San Diego residents."

The City of San Diego City Planning and Community Investment Department has developed three separate revolving loan funds to address the full spectrum of funding needs for small businesses:

- The \$3 million **San Diego Regional Revolving Loan Fund** provides capital to the mid-level non-technology companies that have a strong likelihood of generating jobs. This fund was created in partnership with Chula Vista to benefit the regional economy.
- The \$1 million **San Diego Technology Fund** provides capital to technology companies that have the capacity to generate follow-on investments, creating the potential for large companies that promote regional prosperity.
- The \$500,000 **Metro Revolving Loan Fund** provides funding to underserved small business owners located in a low- and moderate-income census tract that need start-up capital, but can't meet the terms of traditional banks.

For more information on **Continental Dry Cleaners & Laundry, Inc.**, contact Jeff Phelps at **(619) 397-5703**.

For more information on **Urban Records**, contact Mark Stone at **(619) 846-4776**.

For more information on the City of San Diego's suite of revolving loan programs, as well as other business assistance programs, visit the City's Web site at **www.sandiego.gov/ced** or call the **City Planning and Community Investment Department** at **(619) 533-4233**.

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With an emphasis on the City's urban core neighborhoods and low and moderate income residents, the City Planning and Community Investment Department strives to improve the quality of life and ensure a healthy economy in San Diego through job development, business development, neighborhood revitalization, public improvements, redevelopment, social services, and revenue enhancement.